

CHAPTER 14

INVENTORY TRANSACTIONS FOR SERVICE/AGENCY-OWNED MATERIEL

SECTION I - GENERAL

214101 - PURPOSE AND SCOPE

a. This chapter provides standard detailed instructions for processing inventory transactions involving materiel accounted for on the DSC Inventory Control Record and stored in authorized DLA distribution depots identified in DLAR 4140.48; but owned, financed, and managed by the United States Army, Navy, Air Force, Marine Corps, or other authorized activities outlined in appendix A-14. It is applicable to the DSO and Office of the Comptroller and ODS.

b. It defines the extent and terms of item accountability maintained by the DSC.

c. It prescribes the procedure for establishment and termination of accountability.

d. It fixes the documentation, coding, and methods used in processing inventory transactions.

e. It establishes reporting requirements and channels for communicating asset data and issue, receipt and adjustment transactions between DLA and the owning Services.

214102 - EXCLUSIONS

a. This chapter does not pertain to Service/Agency-owned materiel which is stored in DLA managed distribution depots in segregated storage and accounted for on Inventory Control Records maintained or prescribed by the owning Service/Agency. Under these circumstances, storage of Service/Agency-owned materiel in DLA-managed depots is on a space available basis. The terms of a negotiated ISSA shall dictate the storage services performed by the DLA establishment and the inventory transaction reporting system used in the execution of these services.

b. Provisions of this chapter do not pertain when the inventory accounting system for Service/Agency-owned materiel is prescribed by the owning Service/Agency, but the Inventory Control Record is maintained by data processing elements in the DLA establishment. In this situation, data processing service by DLA depends on equipment capacity and availability of personnel to provide the desired service. The terms of a negotiated ISSA shall dictate the data processing service performed by the DLA establishment and the inventory accounting system used in the execution of these services.

a. Service/Agency-owned stocks of DLA centrally managed items will normally be stored and accounted for by inventory control/storage activities of the owning Service/Agency. When like DLA-owned stocks are located at the same storage activity, the managing Service/Agency may, at its option, commingle the DLA-owned and Service/Agency-owned items to achieve maximum efficiency in stock rotation and storage space utilization. However, DLA storage will not assume the custodial accountability or gains/losses relative to inventory adjustments of the Service/Agency-owned stocks so commingled, except in those instances where the Service/Agency managed storage activity serves as a DLA PDD or a DLA SSP.

b. DSCs will consider commingling of Service/Agency-owned stocks of DLA centrally managed items with DLA-owned stocks in DLA PDDs upon request of a Service/Agency in order to achieve economic benefits such as stock rotation which could not be accomplished in storage activities of the requesting Service/Agency distribution system. DSCs will not consider commingling Service/Agency-owned stocks in a DSC distribution depot without DLA custodial accountability.

c. Positioning of Service/Agency-owned stocks for commingling with DLA-owned stocks in commercial storage activities under DLA contract operations, or in DLA SSPs will be authorized only when like DLA-owned items are not stored in DLA PDDs, or the location of the DLA PDDs, in which like DLA-owned items are stored is not strategically compatible to the point of planned utilization of the Service/Agency-owned stocks.

d. DSCs shall accept custodial accountability for Service/Agency-owned materiel which is authorized for commingling in storage with like DLA-owned materiel. The DLA Inventory Accounting System prescribed in this manual shall be used in accounting for this materiel. Coding limitations imposed by the system shall not be exceeded. Additional data elements, e.g., stratification codes, project codes, cognizance codes, shall not be introduced in the DSC Inventory Control Record solely to accommodate Service/Agency needs. Receipt, issue, and adjustment transaction reporting and processing internal to the DLA Distribution System shall be identical for all materiel regardless of ownership unless an exception is specifically recognized.

e. Positioning of Service/Agency-owned stocks in DLA storage activities will be IAW DLA established storage patterns.

f. Services/Agencies will not be permitted to establish decks for prepositioned MROs at DLA storage activities for Service/Agency-owned stocks maintained under DLA custodial accountability.

g. Customer returns into DLA distribution depots for Service/Agency ownership under DSC custodial accountability are not authorized except for returns made upon the specific direction of a DSC. Return of materiel to the DLA Distribution System shall be governed by the credit policy for return of materiel to the DSF and receipts shall be processed accordingly under DLA ownership.

h. Issues and other disposition of Service/Agency-owned assets shall be made at the owner's direction through the media of requisitions submitted to the accountable DSC by the owning Service/Agency. All instructions to storage activities relative to DLA-owned and Service/Agency-owned commingled items will emanate from the cognizant DSC as the sole source authorized to direct release or other disposition of these stocks. Excepted are issues to meet demands placed on the DSC when DLA-owned stocks are depleted. To satisfy these demands, Service/Agency-owned materiel may be transferred to DLA ownership on the initiative of the DSC. The extent of DLA latitude in this regard shall be established by mutual agreement between DLA and the Service/Agency. Reimbursement to the Service/Agency for materiel transferred from Service/Agency ownership to DLA ownership by the DSC shall be effected by customer billing action originated by the Service/Agency.

i. The accountable DSC will assume all gains and losses resulting from inventory adjustments to Service/Agency-owned stocks for which the DSC maintains the custodial accountability. If the DSC ownership balance by condition-location is insufficient to absorb the loss, the residual credit shall be apportioned (by ownership-condition-location) to the Service/Agency on the basis of the ratio each Service/Agency ownership balance represents to the total recorded balance for the Service/Agency at the time that the DSC Inventory Control Record is adjusted. Reimbursement of the Service(s)/ Agency(ies) for losses sustained shall be effected by issuance of a full return credit allowance to the losing Service/Agency, based on the D9A transaction processed to the NIR against the Service/Agency ownership account.

j. A manual/mechanical control must be kept on all commingled stocks reported excess to the system. The specific procedures are outlined in appendices E-031 P and E-313 P with controls in appendices F-50 and E-330 P. The depot must know at all times that a dual managed item is being disposed and what total quantity is to be retained.

214104 - RESPONSIBILITIES

a. OP&M is responsible for:

(1) Negotiating ISSAs with the Service/Agency in coordination with HQ DLA.

(2) Coordinating ISSAs with affected activities within the DSC.

b. DSO is responsible for:

(1) Determining the authorization or disapproval of the request for in-shipment of Service/Agency-owned materiel for commingling.

(2) Establishing and maintaining control of dues-in and receipts transactions of materiel from Service/Agency ICPs as prescribed herein.

(3) Reviewing and processing Violation Control/Reentry Documents within the established timeframe.

(4) Preparing and processing documents for transfer of Service/
Agency assets to DLA ownership to meet emergency demand requests.

(5) Assuring that the processing of inventory gain(s) and loss(es) resultant from surveillance inspection, stock discrepancy, or physical inventory actions are processed correctly and promptly.

(6) Advising HQ DLA, ATTN: DLA-OS, through appropriate channels of any disagreement relative to commingling of Service/Agency-owned stocks which cannot be resolved.

c. The Office of the Comptroller is responsible for assuring that appropriate billing/credit actions are generated based on debit and credit transactions processed to the NIR.

d. ODS is responsible for:

(1) Establishing and maintaining the Due-In/Receipt File.

(2) Preparing and/or processing a Due-In record for each shipment of items due-in and updating each record as required.

(3) Furnishing distribution activities a PMRC for each due-in and updating each document as required.

(4) Preparing and furnishing daily transaction documents to the appropriate Service/Agency ICP and Financial Subsystem.

(5) Preparing and furnishing Asset Status Documents to the DSO Monitor at the end of each quarter (refer to section VI, paragraph 214602, this chapter, for established cutoff dates).

(6) Processing Materiel Release Denial Documents.

(7) Maintaining the Inventory Control Record.

(8) Processing of catalog changes.

e. Plans and Programs Branch, Management Support Office, Directorate of Supply Operations or its counterpart at DPSC is responsible for maintaining the Service/Agency Owned Assets Reporting Table (F-14).

214105 - PROCEDURES

Unless an exception or prohibition is stated herein, the procedures, forms, formats, and coding prescribed for processing receipt, issue, and adjustment transactions applicable to DLA-owned materiel apply equally to the processing of like inventory transaction for Service/Agency-owned stocks. In this regard, special instructions in the following sections of this chapter either modify processing procedures prescribed in other chapters of this manual or establish inventory accounting and transaction reporting procedures peculiar to Service/Agency-owned materiel.

SECTION II - ESTABLISHMENT OF CUSTODIAL ACCOUNTABILITY

214201 - GENERAL

Custodial accountability shall be transferred to the DSC on authorized shipment of Service/Agency-owned materiel into DLA distribution activities for Service/Agency Storage Points, or shall be assumed by the DSC on change of ownership (DLA to Service/Agency) for materiel in storage in DLA distribution activities.

214202 - AUTHORIZATION OF IN-SHIPPED MATERIEL

a. The cognizant DSC must authorize the in-shipment of Service/Agency-owned materiel into DLA distribution activities for commingled storage under DSC custodial accountability. To obtain this authorization, the Service/Agency ICP shall submit to the DSC, via means other than transceiver, a Due-In Transaction Document (Request), DIC DF_, in the format of appendix B-42. The applicable ownership code of the Service/Agency will be entered in pos. 70 of the Due-In document.

b. The DSO will review the request and determine if the item involved will be authorized for commingling with DLA-owned stocks. The Service/Agency ICP will be furnished a Due-In transaction (reply) in the format of appendix B-42. Management Code A (shipment authorized) or Management Code G (shipment disapproved) will be entered in pos. 72 of the reply document. The DSO will process the Due-In transaction (request) as prescribed in appendix E-042 P.

c. Subsequent to review, the DSO will forward the Due-In transaction documents to ODS for mechanical processing IAW chapter 40. Output from ODS will consist of the following:

(1) Violation notices (appendices F-122 and/or F-117) to be forwarded to DSO for processing IAW chapter 49.

(2) Appendix B-42, Due-In transaction document (reply), to be furnished to the Service/Agency ICP.

(3) Appendix B-19, Prepositioned Materiel Receipt Document (PMRC) (Other than Procurement Instrument Source), DIC DW_, to be forwarded to the DLA distribution activity.

(4) Appendix F-192, Custodial Accountability Rejected, to be forwarded to the DSO.

214203 - CHANGE OF OWNERSHIP (DLA TO SERVICE/AGENCY) - (IN PLACE SALE)

a. To order materiel for commingled storage, the Service/Agency submits a Requisition Document, appendix B-4, (DIC A00_) for the desired materiel. The following significant entries identify such requisitions and are mandatory:

(1) The DoDAAC of the preferred DLA depot shall be entered in the Supplementary Address field (pos. 45-50) to indicate the distribution

depot at which the Service/Agency desires the requisitioned materiel to be positioned.

(2) Advice Code 8D (appendix A-12) shall be entered in the Advice/Status Code field (pos. 65-66) to identify the requisition as one pertaining to change of ownership for in-storage materiel to increase Service/Agency assets.

(3) When Project Code 3AA (PWRS) is entered in a requisition with Advice Code 8D, the provisions of DLAR 4140.43 will be applied to process the requisition for free issue of materiel that is available if the NSN is in a long supply position.

(4) When a requisition is received citing Signal Code M, Project Code 3AA, and Advice Code 8D, and the NSN requested is not in a long supply position, the requisition will be rejected mechanically. Status Code CB will be applied.

b. If the requisition with Advice Code 8D is received in DSO via means other than transceiver, requisition will be processed IAW procedures prescribed in appendix E-513 P.

c. If the requisition with Advice Code 8D is received in ODS via transceiver, it will be processed, which provides for rejecting requisitions of this type to DSO with MNIC Q for processing IAW appendix E-127 P.

d. The following actions will be taken by ODS when processing Advice Code 8D requisitions subsequent to review by DSO.

(1) Validate entries and post to RCSF IAW chapter 4.

(2) Reject requisitions to DSO containing invalid data under the violation routine as prescribed in chapter 49.

(3) Reentered requisitions containing MFDAC BA will cause available quantity to be issued from DLA ownership (DIC D7B), and received in Service/Agency ownership (DIC D6U) as a NIR record change only. A mechanically generated MRO, DIC A5_, and Confirmation, DIC ARO, will be posted to the RCSF to close the RHF record for the requisition. An image of the receipt transaction, DIC D6U, will be transmitted to the Service/Agency ICP.

(4) Reentered requisitions containing MFDAC BN will cause the same actions as MFDAC BA with the exception that the DICs D7B and D6U transactions will cite Signal Code M to denote free issue for requisitions containing Project Code 3AA.

(5) Reentered requisitions containing MFDAC HB will be backordered at the depot indicated pending receipt of stock. This backordered requisition will be established with a Type of Backorder Code 2 and will require preparation of DIC ZD6 with Action Code JB to force release. DIC ZD6 is prepared in the format described in appendix B-243.

(6) Reentered requisitions containing MFDAC HG will be rejected to requisitioner with Status Code HG and RCSF will be closed. The Status

Code will be CB when the requisition contains Project Code 3AA and
Signal Code M.

(7) Create necessary billing transactions.

e. Requisitions with Advice Code 8Q will be prepared by DPSC-Medical for the applicable Service/Agency ICP to direct in-place sale of DLA-owned assets as required to satisfy Deployable Medical Systems (DEPMEDS) requirements.

(1) Requisitions with Advice Code 8Q will be validated and processed in the same manner as requisitions with Advice Code 8D except the requisition will not be output to DSO with MNIC Q.

(2) Requisitions with Advice Code 8Q will transfer assets available from DLA ownership (DIC D7B) to Service/Agency ownership (DIC D6U) as a NIR record change only. A MRO (DIC A5_) and MRC (DIC ARO) will be mechanically generated to open and close the RCSF and to effect billing. The MRO will not be transmitted to the depot. An image of the DIC D6U will be transmitted to the applicable Service/Agency ICP.

SECTION III - REDISTRIBUTION OF SERVICE/AGENCY-OWNED ASSETS

214301 - GENERAL

Redistribution Orders (DIC A2_) created by the Service/Agency and applicable to Service/Agency-owned assets commingled with DLA assets are not authorized and shall not be used. Redistribution of commingled Service/Agency-owned materiel between DLA distribution depot shall be effected by change of ownership on the DSC Inventory Control Record for materiel in place if the DLA stock position at the gaining location permits. DLA assets shall be issued to Service/Agency ownership at the gaining storage location, and conversely, Service/Agency assets in like quantity and condition shall be returned to DLA ownership at the losing storage location.

214302 - REDISTRIBUTION ACTION

a. To direct redistribution of commingled Service/Agency-owned assets between DLA distribution depots, the Service/Agency ICP shall submit to the DSC a requisition (DIC A0_) using the Single Line Item Requisition Document (DD Form 1348 or 1348m). The following significant entries in the requisition are mandatory:

(1) The DoDAAC of the gaining storage location shall be entered in the Supplementary Address field (pos. 45-50) to indicate the distribution depot at which the Service/Agency-owned assets are to be reconstituted.

(2) Signal Code M in pos. 51.

(3) Advice Code 8G (appendix A-12) shall be entered in the Advice/Status Code field (pos. 65-66) to identify the requisition as one pertaining to dual change of ownership action to effect redistribution of commingled Service/ Agency-owned assets by inventory control record change only.

(4) DLA distribution depot RIC in pos. 67-69 to indicate the storage location from which materiel is to be made.

(5) Ownership Code (appendix A-14) in pos. 70.

(6) Condition Code (appendix A-16) of the materiel to be redistributed in pos. 71.

b. The DSC shall process the requisition to effect dual change of ownership action for materiel in place by recording, on the inventory record, an issue from DLA ownership and a receipt to Service/Agency ownership at the gaining storage location indicated in pos. 45-50 of the requisition, and conversely, an issue from Service/Agency ownership and a receipt to DLA ownership at the losing storage location indicated in pos. 67-69.

c. Should the NSN not qualify for commingled storage at the gaining location, or should the DLA stock position at the gaining location, considering the item, quantity, and condition be insufficient to make the issue, the unfilled quantity shall be rejected, using Status Code HH.

d. If requisition document is received by DSO via means other than transceiver, DSO will process the requisition document as prescribed in appendix E-513 P.

e. If requisition document is received in ODS via transceiver, it will be processed, which provides for rejecting requisitions of this type to DSO with VRC CF (invalid or blank action code) for review and reprocessing.

f. The following actions will be taken by ODS when processing Advice Code 8G requisitions subsequent to review by DSO.

(1) Validate entries and post to RCSF.

(2) Reject requisition containing invalid data to DSO under the violation routine as prescribed in chapter 49.

(3) If Action Code HT is in pos. 79-80, computer rejects requisition to Service/Agency ICP with Status Code HH and clears RCSF.

(4) If Action Code HV is in pos. 79-80, computer will prepare off-setting receipt and issue transaction for location involved for quantities available. The same document number, pos. 30-43, will be used for all transactions. A DIC D7B issue and a DIC D6B receipt transaction will be recorded for DLA-owned materiel in DSC NIR. A DIC D7P issue, and a DIC D6U receipt transaction will be recorded against Service/Agency-owned materiel in DSC NIR, and an image of the DIC D7P/D6U transactions will be transmitted to the Service/Agency ICP.

(5) MRO will not be prepared. Materiel Release Confirmation, DIC AR0, will be mechanically generated to clear RCSF.

(6) In the event that insufficient assets are recorded under Service/Agency ownership at the losing location, the unavailable quantity will be rejected to the ICP with Status Code CB (Fill or Kill).

(7) In the event that insufficient assets are recorded under DLA ownership at the gaining location, the unavailable quantity will be rejected to the Service/Agency ICP with Status Code HH.

Copies of receipt and issue transaction documents affecting Service/Agency ownership will be generated and forwarded to the applicable ICP.

SECTION IV - TERMINATION OF CUSTODIAL ACCOUNTABILITY

214401 - GENERAL

DSO shall be relieved of custodial accountability on effecting shipment of Service/Agency-owned materiel from DLA distribution depots to Service/Agency storage points, DoD disposal activities, customers, or other consignee; or on change of ownership (Service/Agency to DLA) for materiel in-storage in DLA depots.

214402 - OUT-SHIPPED MATERIEL

a. To direct out-shipment of Service/Agency-owned assets, the Service/Agency shall create a Requisition, DIC A0_, citing Service/Agency transportation funds if a transportation fund allotment has not been prepositioned within the DLA Distribution System. To relate the requisition to Service/Agency-owned assets, these entries are mandatory in the issue source document:

(1) Advice Code 2J in pos. 65-66.

(2) DLA distribution depot RIC in pos. 67-69 to indicate the storage location from which out-shipment of Service/Agency-owned materiel is to be made.

(3) Ownership Code (appendix A-14), in pos. 70.

(4) Condition Code (appendix A-16) of the materiel to be out-shipped in pos. 71.

b. Requisitions created by organizational elements other than the Service/Agency ICP and sent to the ICP for approval shall be forwarded to the accountable DSC as Referral Orders, DIC A4_. Mandatory entries prescribed in subparagraph a(1) through (4) for requisitions also apply to Referral Orders. Referral Orders with a conflict in Advice Code shall be forwarded as exception documents.

c. The DSO will process requisition type documents containing exception data in the same manner as prescribed in chapter 4. The DSO will ensure that Referral Orders with exception data indicating a conflict in Advice Codes are forwarded to ODS containing Advice Code 2J in pos. 65-66.

d. The ODS will process the Requisition or Referral Order. The ODS will produce and forward a DIC D7B Transaction Document to Service/Agency ICP for the issue quantity dropped from the DSC inventory records. Quantities not available will be rejected to the Service/Agency ICP using Status Code CB.

e. In the event a Warehouse Denial occurs, the distribution depot will report the denial in the normal manner. ODS will furnish DIC D7B Issue Reversal Transactions and DIC D9A Inventory Loss Transactions to the applicable Service/Agency ICP. Requisition documents will not be reinstated for continued supply action.

214403 - CHANGE OF OWNERSHIP (SERVICE/AGENCY TO DLA)

a. When it is determined that Service/Agency-owned materiel commingled with DLA-owned materiel becomes excess to the needs of the Service/Agency, the owning Service/Agency will request approval to transfer the commingled materiel to a DLA account by submitting a Report of Customer Excess Materiel, DIC FTE in compliance with the provisions of DLAR 7000.4.

b. To identify the Report of Customer Excess Materiel to Service/Agency-owned assets commingled in-storage at DLA distribution depots, the Service/Agency will enter RIC of the DLA depot where materiel is stored in pos. 67-69 and Project Code SOG in pos. 57-59 (see appendix B-39).

c. ODS will output a Materiel Returns Rentry Document, DIC ZTX, with Review Reason Code DM to the IM. Due-Ins will not be established for authorized returns.

d. Based upon notification that Service/Agency-owned materiel is authorized for transfer to DLA ownership, the Service/Agency will submit a Report of Customer Excess Materiel Shipment Status, DIC FTM (see appendix B-207).

e. This transaction will cause the mechanical generation of a Requisition, DIC A0_, with the following significant entries:

(1) The document number entry (pos. 30-43) will be perpetuated from the applicable Report of Customer Excess Materiel Shipment Status. Should the same document number not be used, the resultant DIC D6B receipt transaction (subparagraph f(4) below) will not find a matching record in the Customer Returns Control File, and, if previously authorized, credit billing will not be accomplished.

(2) Project Code SOG will be entered in pos. 57-59.

(3) Advice Code 8E (appendix A-12) will be entered in pos. 65-66 to identify the requisition as one pertaining to change of ownership for instorage materiel to decrease Service/Agency assets.

(4) The RIC of the DLA distribution depot where materiel is stored will be entered in pos. 67-69.

(5) The Ownership Code (appendix A-14) will be entered in pos. 70 and Condition Code (appendix A-16) in pos. 71.

f. ODS at the DSC will process the requisition. Processing by ODS will include the following:

(1) Validate entries and post to RCSF.

(2) Reject document containing invalid data to DSO under the violation routine as prescribed in chapter 49.

(3) Create AE_ Status with Status Code HJ to be forwarded to Service/Agency ICP for quantities not recorded available under specified Location, Ownership, and Condition Codes.

(4) Create D7P transaction to drop available quantity from the on-hand balance under Service/Agency ownership and create corresponding D6B receipt transaction to increase on-hand balance under DLA ownership. A Materiel Release Order in the format of appendix B-7 and a Materiel Release Confirmation in the format of B-14 will be mechanically produced and recorded in the RCSF to complete the file. An Issue Transaction Document in the format of appendix B-2, identified by DIC D7P, will be produced and forwarded to the Service/Agency ICP as notification that custodial accountability for Service/Agency-owned materiel was terminated and ownership of the assets was assumed by the DSC.

(5) Transactions will be recorded in NIRF and Financial Records.

214404 - CATALOG CHANGES

a. DSC shall process catalog changes to both DLA and Service/Agency ownership segments of the DSC Inventory Control Record. Distribution depots shall be advised to effect the necessary remarking or consolidation of commingled stocks, following procedures in chapter 5 or 48, as applicable. Transactions reflecting catalog change actions processed to the DSC Inventory Control Record shall not be reported to the Services/Agencies. The Service/Agency Inventory Control Record shall be updated independently of the DSC record.

b. If a catalog change renders Service/Agency-owned assets ineligible for commingling with like DLA-owned assets in DLA distribution depots, it shall be the responsibility of the owning Service/Agency ICP to issue the necessary disposition instructions. In the event the owning Service/Agency ICP does not furnish disposition instructions, the DSC will contact the ICP via letter IAW appendix E-306 P.

c. Disposition instructions will be furnished to the DSC by the owning Service/Agency in the form of a request for out-shipment of materiel as outlined in paragraph 214402, or a request for shipment to disposal as outlined in paragraph 214406, or in the form of a request to place the materiel in segregated storage under direct Service/Agency accountability.

d. To effect segregation of the Service/Agency-owned materiel, the Service/Agency will create a requisition (DIC A00_) and submit it to the DSC. To relate the requisition to Service/Agency-owned assets to be dropped from custodial accountability of the DSC and segregated in-storage under direct accountability of the Service/Agency ICP, these entries are mandatory in the issue source document:

(1) Advice Code 8H (appendix A-12) shall be entered in pos. 65-66.

(2) DLA distribution depot RIC in pos. 67-69 to indicate the storage location affected by the change.

(3) Ownership Code (appendix A-14) pos. 70.

(4) Condition Code (appendix A-16) of the materiel affected by the change in pos. 71.

e. ODS at the DSC will process the A0_ document. Processing by ODS will include the following:

(1) Validate entries and post to RCSF.

(2) Reject requisition containing invalid data to DSO under the violation routine as prescribed in chapter 49.

(3) Create D7Z transaction to update NIRF.

(4) Create and forward D7Z transaction to Service/Agency ICP as notification that custodial accountability for Service/Agency-owned materiel was terminated by the DSC.

(5) Produce a Stock Segregation Notice in the format of appendix B-209, identified by DIC CNS, to be forwarded to the distribution depot in lieu of a MRO. The distribution depot will segregate the materiel and forward a MRC, DIC D6Z, appendix B-21, directly to the Service/Agency ICP.

(6) If the on-hand balance of Service/Agency assets by location and condition is insufficient to satisfy the full demand, the unfilled quantity will be rejected to the Service/Agency ICP using Status Code HJ.

(7) Materiel Release Confirmations submitted by distribution depots will be processed in the normal manner as prescribed in chapter 4.

(8) Materiel Release Denials will be processed. When a denial occurs, ODS will furnish a D7Z Reversal Transaction and D9A Inventory Loss Transaction to the applicable Service/Agency ICP. The requisition will not be reinstated for continued supply action and an AE_ Status Document with Status Code CB will be furnished the Service/Agency ICP.

214405 - ISSUES TO MEET EMERGENCY DEMANDS

a. Within the limitations specified in volume I, by the owning Service/Agency, or on a case-by-case basis, transfer of Service/Agency assets to DLA ownership to meet emergency demands may be made by the DSC when DSC system stocks are depleted. Requisitions are limited to the quantity required to satisfy individual demands. Change of ownership (Service/Agency to DLA) shall be effected by automatically creating issue and receipt transactions based on Project Code 1R5 on requisition input.

b. The DSO shall prepare a manager directed Requisition Document (DIC A0_) IAW appendix E-512 P for the quantity of Service/Agency-owned materiel required to satisfy the emergency demand placed on the DSC. Advice Code 8E (appendix A-12) and Project Code 1R5 (appendix A-11) will be used to identify the requisition as one pertaining to change of ownership for in-storage materiel occasioned by an emergency demand. Requisition is then forwarded to ODS for processing which includes the following:

(1) The ODS shall process the requisition as a forced issue. Preparation of a MRO shall be omitted and a MRC Document shall be internally generated by the ODS on processing the issue transaction.

(2) Mechanically generate a Report of Customer Excess, DIC FTE with Project Code ROG.

(3) ODS will output a Materiel Returns Reentry Document, DIC ZTX, with Review Reason Code DM to the IM. Due-ins will not be established.

(4) After review by the IM, the Materiel Returns Reentry Document will be returned to ODS for further processing.

(5) ODS will automatically generate a Reply to Report of Customer Excess Materiel, DIC FTR, and a Report of Customer Excess Materiel Received, DIC FTZ, to the Service/Agency owning the assets.

(6) ODS will also generate an internal Credit of Excess Creditable Materiel Returns, DIC ZHK, to the Financial Subsystem.

(7) The issue transaction, identified by DIC D7P, shall be processed to the inventory control record to drop the issue quantity from the on-hand balance under Service/Agency ownership and a corresponding receipt transaction, identified by DIC D6B, shall be processed to the Inventory Control Record to increase the on-hand balance under DLA ownership.

(8) No Materiel Release Order will be produced but a Materiel Release Confirmation in the format of appendix B-14, shall be recorded in the RCSF to complete the file. Quantities not available in the NIRF will cause the printout of a listing, Service/Agency Owned Assets Unavailable to DLA (appendix F-193) to be forwarded to DSO. The RCSF will be cleared with Status Code CB.

(9) Concurrently, an Issue Transaction Document, in the format of appendix B-2, identified by DIC D7P, shall be produced for the issue quantity and forwarded to the Service/Agency ICP. This document serves as notification that custodial accountability has been terminated.

c. The emergency requisition will be processed against DLA ownership IAW normal procedures prescribed in chapter 4.

214406 - ISSUES OF SERVICE/AGENCY-OWNED MATERIEL TO DEFENSE REUTILIZATION MARKETING OFFICE

a. To direct out-shipment of Service/Agency-owned assets to DRMO, the Service/Agency shall create a Requisition, DIC A00_, citing Service/Agency transportation fund if a transportation fund allotment has not been prepositioned within the DLA Distribution System. To relate the requisition to Service/Agency-owned assets, these entries in the issue source document are mandatory:

(1) Advice Code 8J in pos. 65-66.

(2) DLA Distribution Depot RIC in pos. 67-69 to indicate the storage location or assembly point from which out-shipment of Service/Agency-owned materiel is to be made.

(3) DoDAAC of DRMO, pos. 45-50, to which materiel is to be shipped.

(4) Signal Code M, pos. 51.

(5) Ownership Code (appendix A-14) in pos. 70.

(6) Condition Code (appendix A-16) of materiel to be out-shipped, pos. 71.

b. The DSO will process requisition type documents containing exception data in the same manner as prescribed in chapter 4.

c. The ODS will process the requisition. The ODS will produce a DIC D7J issue transaction for posting to DSC NIR, THF, and Financial records. A DIC D7J transaction will be produced, and forwarded to the Service/Agency ICP for the issue quantity dropped from DSC inventory records. Quantities not available will be rejected to the Service/Agency ICP using Status Code CB.

d. In the event a Warehouse Denial occurs, the distribution depot will report the denial in the normal manner. ODS will furnish D7J Issue Reversal, and D9A Inventory Loss transactions to the applicable Service/Agency ICP. Requisition documents will not be reinstated for a continued supply action.

214407 - ISSUES OF SERVICE/AGENCY-OWNED MATERIEL TO DLA ASSEMBLY POINTS

a. To direct out-shipment of Service/Agency-owned assets to assembly points, the Service/Agency shall create a Requisition, DIC A00_, citing Service/Agency transportation funds if a transportation fund allotment has not been prepositioned within the DLA Distribution System. To relate the requisition to Service/Agency-owned assets, these entries in the issue source document are mandatory:

(1) Advice Code 8L in pos. 65-66.

(2) DLA Distribution Depot RIC in pos. 67-69 to indicate the storage location from which out-shipment of Service/Agency-owned materiel is to be made.

(3) DoDAAC of DLA Assembly Point, pos. 45-50, to which materiel is to be shipped.

(4) Signal Code M, pos. 51.

(5) Ownership Code (appendix A-14) in pos. 70.

(6) Condition Code (appendix A-16) of materiel to be out-shipped, pos. 71.

b. The DSO will process requisition type documents containing exception data in the same manner as prescribed in chapter 4.

c. The ODS will process the requisition. The ODS will produce a DIC D7L issue transaction for posting to DSC NIR, THF, and Financial records. A DIC D7L transaction will be produced and forwarded to the Service/Agency ICP for the issue quantity dropped from DSC inventory records. Quantities not available will be rejected to the

Service/Agency ICP using Status Code CB; at the same time an uncontrolled violation, VRC CG, will be output to ORC 88 (Assembly Section) to notify them to initiate resupply action.

d. In the event a Warehouse Denial occurs, the distribution depot will report the denial in the normal manner. ODS will furnish D7L Issue Reversal, and D9A Inventory Loss transactions to the applicable Service/Agency ICP. Requisition documents will not be reinstated for continued supply action.

SECTION V - SPECIAL INSTRUCTIONS APPLICABLE TO CHANGE OF OWNERSHIP ACTIONS

214501 - ADVICE TO DISTRIBUTION DEPOTS

There is no need to advise distribution depots when change of ownership actions involving commingled materiel are effected by record change only.

214502 - FOLLOWUP AND CANCELLATION ACTIONS

a. Followup or cancellation actions to distribution depots on open requisitions with Advice Codes 8D through 8G in pos. 65-66 are inappropriate and shall not be processed to depots.

b. This prohibition does not apply to requisitions (including Referral Orders) ordering out-shipment of Service/Agency-owned materiel by MRO, identified by Advice Code 8H, ordering segregation of commingled stock by Stock Segregation Notice (SSN). Chapter 4 applies to processing cancellation or followup actions related to either the MRO or the SSN in these circumstances. In addition, chapter 4 procedures will apply when processing followup and cancellation requests submitted by Service/Agency ICPs.

SECTION VI - REPORTS

The Service/Agency Owned Assets Reporting Table appendices C-46/F-14, consists of the Military Service/Agency Activity address to which ADP transactions reporting, asset reporting, and financial billing/credit actions are to be forwarded. Output routed to Service/Agency ICPs not listed in reference table will violate with VRC S3. (No RIC on Service/Agency Table.)

214601 - DAILY TRANSACTION REPORTS

In accordance with the procedures and coding prescribed in preceding sections to this chapter; issue, receipt, and adjustment transactions (to include transaction reversals) affecting Service/Agency ownership balances recorded on the DSC Inventory Control Record shall be reported to the Service/Agency ICP as they occur.

214602 - QUARTERLY ASSET REPORTS

Quarterly, the DSC will prepare and forward a deck of Asset Status Documents to the applicable Service/Agency ICP. The Asset Status Documents will be prepared in the format of appendix B-210, identified by DIC DZA, for each on-hand balance, by stock number, ownership-condition and location recorded on the Inventory Control Record. Cutoff

dates of 30 June, 30 September, 31 December, and 31 March, each year, are established for preparation of the quarterly asset reports.

SECTION VII - COMMINGLING OF SERVICE/AGENCY-OWNED STOCKS WITH DLA-OWNED
STOCKS IN SERVICE/AGENCY MANAGED STORAGE ACTIVITIES

214701 - GENERAL

DSCs will not assume custodial accountability for Service/Agency-owned stocks which are commingled with DLA-owned stocks in storage activities under Service/Agency Management Control. Service/Agency Managed Activities include Service/Agency managed SSPs, but exclude those Service/Agency managed activities specifically designated as DLA PDDs or DLA SSPs.